TENNESSEE WASTEWATER SYSTEMS, INC. A PUBLIC UTILITY CO. July 27, 2005 Honorable Pat Miller

Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: Petition to amend Certificate of Convenience and Necessity 05-00211

Dear Chairman Miller:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Sevier County, Tennessee, known as the Elk Springs Resort. The attached Petition is in support of our request.

Sincerely,

Charles Pickney, Jr., President

Tennessee Wastewater Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733 (615) 356-2880 Fax (615) 356-7295

BEFORE THE TENNESSEE REGULATORY AUTHORITY **NASHVILLE, TENNESSEE**

IN RE:	PETITION OF TENNESSEE WASTEWATER SYSTEMS, INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
DO	CKET No
	Petition of Tennessee Wastewater Systems, Inc.

To amend its Certificate of Convenience and Necessity

Tennessee Wastewater Systems, Inc. ("TWS") petitions the Tennessee Regulatory Authority ("TRA") to amend TWS's Certificate of Convenience and Necessity to expand its service area to include a portion of Sevier County known as Elk Springs Resort. (See proposed service area map (Exhibit "A"). We are proposing to provide wastewater service to a portion of the county per the request of the Mountain Top Developers, LLC developer John Davis. The properties include parcels 114 & 116 and are shown on the enclosed Tax Maps 107 & 108. The parcel encompasses approximately 85 acres. The system will be designed and constructed to serve approximately 150 commercial rental homes (approximately 30,000 gallons per day) and can be expanded later if needed Some of the lots may be sold as residential; therefore we are submitting residential rates also. The estimated system revenue is on an attached sheet. We have applied for a TDEC permit, but have not received a final permit number at this time. No contracts have been signed at this point. However, it is the intention of the parties that Tennessee Wastewater will own the collection, treatment, and dispersal systems and will own a permanent easement that the systems occupies. Neither the City of Gatlinburg, nor the Sevier County Government desires or has plans to provide sewer service to this area (see attached letters). After approval, the construction of the system, which is comprised of watertight effluent collection, fixed film treatment, and subsurface drip dispersal will take approximately 60 days to complete and the estimated value of the contribution in aid of construction is approximately \$275,000.00. Tennessee Wastewater will not invest any capital in the system.

Respectfully submitted.

Charles Pickney Jr., President

Tennessee Wastewater Systems, Inc.

Elk Springs Resort Projected Subdivision Build-Out

2006 - 30 homes 2007 - 40 homes 2008 - 50 homes 2009 - 20 homes 2010 - 10 homes

Estimated System Costs and Revenues for Five Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Costs	24,900	58,000	99,300	115,900	124,200
Revenues	27,000	63,000	108,000	126,000	135,000

Tariff Rate Sheet

Commercial Sewer Rates – with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18 00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$170 00	\$192 00	N/A
Lagoon	\$142 00	\$163 00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply.

Excess water usage	Surcharge
l gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Tariff Rate Sheet

Commercial Sewer Rates – without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140 00	\$165 00	N/A
Lagoon	\$116 00	\$140 00	N/A
* Off Site	N/A	N/A	Pass through costs & \$73 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Tennessee Wastewater Systems, Inc. Sewer Systems with Commercial Customers

System	County
Townsend Town Square – 99-00659	Blount County
Coopertown - 00-01128	Robertson County
East Stewart – 01-00229	Stewart County
Highway 31 Project (Herndon's BP) - 01-00446	Robertson County
Lyles Texaco - 01-00756	Hickman County
Topside Business Park – 01-00220	Blount County
Stewart County West - 02-00477	Stewart County
Cedar Hill Baptıst Church – 03-00287	Robertson County
Tims Ford Area – 03-00286	Franklin County
Sunnybrook - 03-00307	Robertson County
Sevier County - 03-00045	Sevier County
Smoky Cove Subdivision – 03-00377	Sevier County
King Branch Road – 03-00386	Sevier County
Weigel's Convenience Store – 03-00519	Roane County
Paris Landing Area – 03-00544	Henry County
Turner's Landing – 04-00053	Hamblen County
Spring Creek Ranch – 04-00123	Shelby County
Marion Womack Property (Creekview Estates) – 04-00170	Sumner County
Arbor Crest Subdivision – 04-00171	Davidson County
Merril Taylor Subdivision - 04-00274	Blount County
Black Bear Ridge Expansion – 04-00045	Sevier County

Tennessee Wastewater Systems, Inc. Sewer Systems with Commercial Customers

System	County
Legacy Laurel Branch - 04-00045	Sevier County
Legacy Mountain – 04-00045	Sevier County
Legacy the Preserves – 04-00045	Sevier County
Starr Crest II Phase 4 – 04-00045	Sevier County
Timber Tops Rental Center – 04-00045	Sevier County
Trailhead – 04-00045	Sevier County
Wyndsong Subdivision – 04-00395	Blount County
Huffines Development – 04-00393	Robertson County
Williamson County West - 04-00394	Williamson County
Trillium Cove Condominiums – 05-00030	Blount County
Tennessee State Bank-Wears Valley Branch (Pending)	Sevier County
Marvin Keys RV Park (Pending)	Cocke County
Brownlee Commercial Building (Pending)	Blount County
Grainger's Landing Condominiums (Pending)	Grainger County
German Creek Marina and Resort (Pending)	Grainger County
Fentress Service Area (Pending)	Fentress County
Emerald Pointe (Pending)	Cocke County
Elk Springs Resort	Sevier County

System		Monthly Charge
Oakwood Subdivision - Maury County - 99-00393	3 - Sheet 1	\$35.11
Southridge Subdivision – Montgomery County – 9	7-01104 - Sheet 2	\$23.94 + actual costs
Swan Harbor – Roane County – 97-01003 – Sheet	3	\$35.11
River Road Utility District – Cheatham County – 9	97-01394 – Sheet 4	\$31.15
Mılcrofton Utilıty Dıstrict – Williamson County –	97-01393 – Sheet 5	\$37.21
Tall Oaks Subdivision – Blount County – 98-0079	0 - Sheet 6	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell Co	ounty – 98-00881 – Sheet 7	\$35.11
Shreibman Development – Cannon County – 98-00	0880 – Sheet 8	\$35 11
Cornerstone of Mitchell Creek - Overton County -	- 99-00357 – Sheet 9	\$35.11
Bolton Area – Shelby County - 99-00724 – Sheet	10	\$32.68
Ussery #1- Sevier County – 00-00198 – Sheet 11		\$35.11
Harbor Pointe – Dekalb County – 00-00149 - Shee	et 12	\$35.11
Hidden Springs Resort – Sevier County – 00-00379	9 - Sheet 13	\$35.11
Eagle Crest Development – Sevier County – 01-00	234 – Sheet 14	\$35.11
Legacy Bay – Hawkins County – 00-00622 - Shee	et 15	\$35.11
Dollywood Project (Dream Catcher Ridge) - Sevier	County – 01-00424 – Sheet 1	6 \$35.11
Homestead Subdivision – Sevier County – 01-0042	23 – Sheet 17	\$35.11
Rice Property (Blue Water Bay) – DeKalb County	- 01-00425 - Sheet 18	\$35.11
East Stewart – Stewart County – 01-00229	Lagoon – Sheet 19 Fixed Film Treatment – Shee	\$30.98
Fees: Nonpayment – 5%, Disconnection - \$10, Reconnection - \$15, Return Check - \$20, Acc		et 20 \$35.11

System	N	Ionthly Charge
Eagle Springs Subdivision – Sevier County – 01-00)445 – Sheet 21	\$35.11
Jackson Bend Subdivision – Blount County - 01-0	0221 - Sheet 22	\$35.11
Browning Subdivision – Knox County – 01-00492	- Sheet 23	\$35.11
Starr Crest II – Sevier County - 01-00755 – Sheet 2	24	\$35.11
City of Coopertown - Robertson County - 00-0112	Lagoon – Sheet 25 3% Fixed Film Treatment – Sheet 26	\$30.98 + Franchise fee \$35.11 + Franchise fee
Horseshoe Bend – Bedford County – 01-01025 – S	heet 27	\$35.11
Eagle Crest II - Sevier County - 01-01128 - Sheet	28	\$35.11
Eagle Crest Resort – Sevier County – 01-00183 – S	Sheet 29	\$35.11
Gnatty Branch Retreat – Sevier County – 02-00055	5 – Sheet 30	\$35.11
Airbase Road Condominiums – Blount County – G	02-00478 - Sheet 31	\$35.11
Goose Creek Area -Williamson County – 02-00172	2 – Lagoon - Sheet 32 Fixed Film Treatment – Sheet 33	\$35.50 \$40.71
Falling Waters – Sevier County – 02-00782 – Shee	et 34	\$35.11
Stewart County West – Stewart County – 02-0047	7 - Sheet 35	\$35.11
Lighthouse Point Condominiums – Jefferson Coun	ty – 02-00732 – Sheet 36	\$35.11
The Highlands – Sevier County – 02-00781 – Shee	et 37	\$35.11
Highland Cove – Dekalb County – 03-00242 – She	pet 38	\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10, Reconnection - \$15, Return Check - \$20, Access - \$84/yr

System Monthly 6	Charge
Tims Ford State Park Area-Franklin County - 03-00286 - Lagoon - Sheet 39	30.98 +
bond Fixed Film Treatment – Sheet 40	ding costs 35 11+
	ding costs
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Black Bear – Sevier County – 03-00192 – Sheet 41	\$35.11
Sunnybrook – Robertson County – 03-00307 – Sheet 42	\$35.11
Sevier County – Sevier County – 03-00045 Lagoon – Sheet 43	\$30.98
Fixed Film Treatment – Sheet 44	\$35.11
Smoky Cove Subdivision – Sevier County – 03-00377 – Sheet 45	\$35 11
Smorty Cove Suburvision Sevier County of Cost // Sheet is	***
King Branch Road – Sevier County – 03-00386 – Sheet 46	\$35.11
Paris Landing - Henry County – 03-00544 – Lagoon Treatment – Sheet 47	\$30.98
Fixed Film Treatment – Sheet 48	\$35.11
Walnut Grove - Giles County - 04-00054 - Sheet 49	\$35.11
Turner's Landing – Hamblen County – 04-00053 – Sheet 50	\$35.11
Spring Creek Ranch – Shelby County – 04-00123 - Sheet 51	\$35.11
Marion Womack Property (Creekview Estates) – Sumner County – 04-00170 – Sheet 52	\$35.11
Arbor Crest Subdivision – Davidson County – 04-00171 – Sheet 53	\$35.11
Merril Taylor Subdivision – Blount County - 04-00274 – Sheet 54	\$35.11
Wyndsong Subdivision – Blount County – 04-00395	\$35.11
Huffines Development – Robertson County – 04-00393	\$35.11
Williamson County West - Williamson County – 04-00394 Lagoon Fixed Film Treatment -	\$35.50 \$40 71

Fees: Nonpayment – 5%, Disconnection - \$10, Reconnection - \$15, Return Check - \$20, Access - \$84/yr

System	Monthly C	harge
Trillium Cove Condominiums – Blount County – (Pending)		\$35.11
Marvin Keys RV Park – Cocke County – (Pending)		\$35.11
Blackberry Ridge Subdivision – Bedford County – (Pending)		\$35.11
Steve Jones Subdivision – Union County – (Pending)		\$35.11
Grainger's Landing Condominiums – Grainger County – (Pending)	)	\$35.11
German Creek Marina and Resort – Grainger County – (Pending)		\$35.11
Smoky Village Subdivision – Sevier County - (Pending)		\$35.11
Fentress Service Area – Fentress County	Lagoon Fixed Film Treatment	\$30.98 \$35.11
Emerald Pointe - Cocke County - (Pending)		\$35.11
Elk Springs Resort – Sevier County		\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10,

Reconnection - \$15, Return Check - \$20, Access - \$84/yr



2534 McGill Street Pigeon Forge, TN 37863 (865) 774-7070

8654292965

Michael Hines, Vice President Tennessee Wastewater Systems, Inc PO Box 22771 Knoxville, TN 37933-0771

Attn: Mr. Hines

I am the developer of Elk Springs Resort and request that the Tennessee Wastewater Systems, Inc. be designated as the public sewer and utility provider for the development.

Should you have any questions, please do not hesitate to call me at 865-654-9342.

Sincerely,

John Davis

Project Manager/Developer

Elk Springs Resort

Series County TENNESSEE

Telephone 865 453 6136
Fax 865 453 6830
E-mail lwaters@seviercountytn org

Larry Waters County Mayor

125 Court Avenue Suite 201E Sevierville, TN 37862

July 11, 2005

Mr. Michael Hines Tennessee Wastewater Systems, Inc. P.O. Box 22771 Knoxville, TN 37933-0771

RE: Sanitary Sewer Service for Elk Springs Resort in Sevier County, TN:

As per your request concerning utility sewer service for Elk Springs Resort (Map 107 & 108, Parcels 114 & 116) and the proposed development, the Sevier County Commission and Water/Sewer Committee does not intend to provide utility sewer service for this area/location at this time and/or within the next 12 months.

Thank you for your time and interest in Sevier County, TN.

Sincerely,

Ken L Maples

Asst. County Mayor



June 24, 2005

Michael Hines, M.S., P E. Tennessee Wastewater Systems, Inc. P.O. Box 22771 Knoxville, TN 37933-0771

Re: Elk Springs Resort

Dear Mr. Hines:

Please accept this letter as a response to your correspondence regarding the availability of city sewer service to the proposed Elk Springs Resort identified as parcels 114 and 116, Tax Maps 107 and 108.

Specifically, city sewer service is currently not available to this property nor is it anticipated to be extended to serve the area within the next twelve months.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

Cindy Cameron Ogle

City Manager

cc: Ron Greene, Assistant City Manager/Public Services Director

Dale Phelps, Utilities Manager

